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C O N F I D E N T I A L SECTION 01 OF 02 SOFIA 000109

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TAGS: [ENRG](#) [PREL](#) [PGOV](#) [BU](#)

SUBJECT: BULGARIA: DAS BRYZA AND ENERGY COORDINATOR MANN  
CONSULT ON PLOVDIV ENERGY SUMMIT

REF: SOFIA 0045

Classified By: CDA Alex Karagiannis for reasons 1.4(b) and (d).

¶1. (C) Summary: In the course of extensive consultations with the Bulgarian President, Prime Minister, and Foreign and Energy Ministers, EUR DAS Matt Bryza and Coordinator for Eurasian Energy Diplomacy Steve Mann endorsed Bulgarian plans to hold a summit on Eurasian gas security issues April 24-25, characterizing the event as the right platform at the right time. They indicated the United States would be represented at a senior level, although the head of delegation has not yet been named. Bryza and Mann urged the Bulgarians to focus the substance of the summit on transparency, diversity and market-based competitiveness, with a particular emphasis on principles of transparency in the gas transit sector. The Bulgarians supported these ideas, saying they would make transparency a centerpiece of their summit. President Parvanov indicated he may use the event to advocate the creation of an "Energy Davos" -- a permanent, annual dialog on energy security held in Sofia or elsewhere in Europe. End Summary.

¶2. (C) DAS Bryza and Eurasian Energy Coordinator Mann held a series of high-level consultations with the Bulgarian government March 10-11 on the upcoming Bulgarian energy security summit, to be held April 24-25 in Plovdiv. The Bulgarians indicated the heads-of-state or government of the majority of the 28 invited countries, including Russia, Italy, Azerbaijan, Qatar, and most of countries in southeast Europe and the Black Sea region would attend, as would EC Energy Commissioner Piebalgs. The summit will focus on the trends, principles, and policies that should govern Eurasian energy security in the wake of the January 2009 Russia-Ukraine gas dispute and cut-off. Having hosted one expert-level planning session on the summit February 24, the Bulgarians will host a second session April 2, at which participant-country representatives will review a draft declaration to be issued at the end of the summit. A business forum, featuring major European and American firms working in the gas sector in Central Asia and the Caucasus, will be held in Sofia on April 23, just prior to the summit's opening. At the end of the summit, Parvanov may propose the creation of an "Energy Davos" -- a permanent dialog on energy security to be held in Sofia or another European venue, to continue to work of the Bulgarian summit.

¶3. (C) Bryza and Mann complimented the summit's timing, while applauding President Parvanov's desire for greater European partnership with Central Asia. They noted that Bulgaria's long-standing relationship with Russia and its distinction as the EU country most effected by the January gas cut-off, give it unique credibility to host a meeting intended to highlight weaknesses associated with over-reliance on monopoly suppliers. At the same time, the Bulgarian Government's consistent outreach to Central Asian

leaders has given Sofia the credibility to take a leading role in helping Europe form new partnerships with Southern Corridor energy producers. They urged the Bulgarians to focus the summit's agenda on transparency, diversity, and market-based competitiveness of projects. They indicated the United States would be represented at the summit and offered additional U.S. engagement and advice in advance of the event.

¶4. (C) The Bulgarians said transparency will be a centerpiece of their event. To the extent possible, they will focus on principles and policies that will reduce the likelihood of a recurrence of the January 2009 cut-off. In addition to long-term goals of diversification of sources and routes, they will concentrate on short-term measures such as the elimination of gas intermediaries, the ability to pursue legal recourse in the event of non-fulfillment of contracts, additional interconnections and storage facilities, and a greater emphasis on solidarity within the EU. The Bulgarian leaders admit it may be awkward to discuss some of these issues with Russia in attendance. President Parvanov commented that some in the EU, particularly the Czechs, still maintain that outreach to Central Asian producers should not be done with Russia in the room. But Parvanov countered that notion, saying for any chance of success, Russia had to be part of the conversation given its influence in the region and its dominance of the energy sectors of countries like Bulgaria. Foreign Minister Kalfin suggested that Putin may use the Plovdiv Summit to announce the proposed Russian alternative to the Energy Charter Treaty Putin has hinted at in the recent past. Although the Bulgarians say they have had little interaction with the Russians during summit planning thus far, they expect consultations to become more

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extensive, given Putin's likely participation.

¶5. (C) Comment: The January 2009 gas crisis has given new meaning to Bulgaria's long-planned energy security summit. We have argued that the event's success will depend on the extent to which the summit highlights the factors that combined to leave Bulgaria -- and its neighbors -- out in the cold in January: lack of diversification and transparency, lack of a coherent EU energy policy and strategy, the presence of shady intermediaries and monopoly suppliers. The Bulgarians are listening, but a successful outcome will require additional coordination in the time remaining. Especially important will be advice on the proposed joint declaration, Washington presence at the April 2 expert's level meeting, and appropriate senior-level participation in the event itself.

¶6. (SBU) DAS Bryza and Coordinator Mann were unable to clear this message before departure.  
Karagiannis